

STATE OF CALIFORNIA
LEGISLATURE
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Senate
California Legislature

TOM HAYDEN
SENATOR
TWENTY-THIRD DISTRICT

COMMITTEES
ENERGY AND PUBLIC UTILITIES
NATURAL RESOURCES AND
WILDLIFE
POLICE AND PUBLIC SAFETY
MANAGEMENT
TRANSPORTATION



February 16, 1995

Hon. William A. Craven
State Capitol, Room 3070
Sacramento, CA 95814

Hon. Lucy Killea
State Capitol, Room 4061
Sacramento, CA 95814

Dear Senators Craven and Killea:

I want to thank your Orange County committee for help in obtaining records of campaign contributions to local officials in Orange County going back to 1979.

My staff has gone through the records exhaustively, and will be making the information available to committee staff.

I wish to draw two findings to your attention that underline the importance of doing something about the flow of campaign contributions from bond and securities firms to candidates and officials who make decisions about investing taxpayer money.

First, it appears that \$185,000 in campaign contributions flowed from bond and securities firms to Orange County Supervisors and Robert Citron during the time period studied. This is a minimum estimate since it cannot include contributions from individuals who failed to disclose such professional connections. Nor does it include contributions to state elected officials representing Orange County. Nevertheless, the numbers indicate that bond and securities firms played a major role in financing political campaigns in Orange County during the past decade.

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Second, several supervisors received far more in contributions than did the county treasurer, Mr. Citron. This would shed doubt on the current "bad apple" theory that exonerates the board and blames Orange County's woes on a single individual, Mr. Citron. Instead, the pattern would indicate an unhealthy system of dependency on the part of the Board of Supervisors on contributions from firms doing brisk business with the County.

Third, Mr. Bruce Nestande received far more contributions, some \$40,000, than any other elected official in the period surveyed. Thirty three thousand dollars in contributions came to a committee Mr. Nestande formed for seeking statewide office. Supervisor Marion Bergeson's office has informed my staff that Mr. Nestande has been named to chair the oversight committee charged with overseeing the management audit of Orange County. I also understand that Mr. Nestande is a lobbyist for a major contributor who also sits on the private panel advising our Senate Committee on Local Investment.

I am not charging Mr. Nestande with improprieties. However, the Committee or its staff should interview him on the issues of past and present campaign contributions, the impact of contributions on Orange County investment decisions, and his present role in relation to the Senate inquiry.

Sincerely,



TOM HAYDEN